Performance Analysis of Select Mutual Fund Schemes in the Recent Global Economic Meltdown

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Abstract

Our generation is facing turbulent times with respect to global economy. Recently we witnessed a global economic meltdown which affected the worldwide financial markets in varying degrees. The so called Recovery Phase of the economic recession is being slowed down due to the deepening debt crisis in the USA, political corruption which has gripped our nation and inflation to name a few. In this context I have studied the effect and role of Mutual Funds in the fluctuating financial markets. A mutual fund is the most suitable investment for the common man as it offers an opportunity to invest in a diversified professionally managed basket of securities at a relatively low cost making them very popular in recent times. In this study I have analysed 1 public sector and 2 private sector mutual fund schemes, which are ICICI Prudential Discovery (2), HDFC Equity (27), UTI Opportunities (47), between January 2010 to September 2011 covering the turbulent period of this economic crisis. In these trying times all sectors are getting affected adversely, the performance analysis of Mutual Funds is very much pertinent in that context.

The study is based on secondary data collected from a sample of top 50 Equity Diversified funds based on rankings provided by Valueresearchonline.com (A popular mutual fund related website) as on 1st January 2010. These funds were analysed for performance and fluctuations, changes in their sector holdings to establish a relation between sector holdings and fund performance during business cycle fluctuations and Correlation between various factors with return generated. Statistical tools like charts & graphs were used for presenting the performance analysis.

***Key words**: Equity Diversified Open Ended Mutual Fund Schemes.*

Introduction

According to the Association of Indian Mutual Fund Industry, “A Mutual Fund is a trust that pools the savings of a number of investors who share a common financial goal. The money thus collected is then invested in capital market instruments such as shares, debentures and other securities. The income earned through these investments and the capital appreciation realized are shared by the unit holders in the proportion to the number of units owned by them. Thus a mutual fund is the most suitable investment for the common man as it offers an opportunity to invest in a diversified professionally managed basket of securities at a relatively low cost.” Thus a mutual fund is just the connecting bridge or a financial intermediary that allows a group of investors to pool their money together with a predetermined investment objective. The essence of a Mutual Fund is the diversified portfolio of investment which diversifies the risk by spreading out the investor’s money across available or different types of investments.

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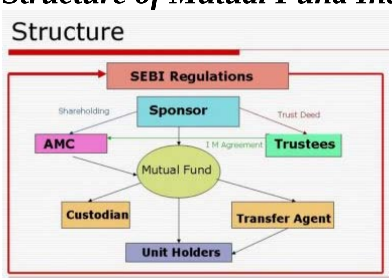
Source: www.personalfn.com

Any change in the value of the investments in capital market instruments is reflected in the Net Asset Value of the scheme. Investors can transact in mutual funds either through their mutual fund distributor, directly by approaching the AMC or through an online mutual fund trading platform.

Structure of Mutual Fund Industry in India



Source: personalfn.com

Rationale of Mutual Fund

Mutual Funds invest in a well-diversified portfolio of securities which enables the investors to hold diversified investment portfolios (whether the amount of investment is big or small) and thereby reducing the risk considerably as loss in any particular investment is reduced by gains in others. Mutual funds are very cost efficient and also easy to invest in. Through mutual fund investors can purchase stocks or bonds with much lower trading costs. Mutual funds provide investors with various schemes with different investment objectives. All material facts are disclosed to investors as required by the regulator, SEBI. Investors can switch their holdings from a debt scheme to an equity scheme and vice-versa. Option of systematic investment and withdrawal is also offered to the investors in most open-end schemes. The minimum investment in a Mutual Fund is relatively smaller than that of shares. Mutual Fund industry is a part of a well-regulated investment environment where the interests of the investors are protected by the regulator. All funds are registered with SEBI and complete transparency is forced. Middle class people, salaried employees, etc. generally choose mutual fund investments as they don't have the time or expertise to invest in company stocks directly or track the performance of various stocks on a regular basis. The Mutual Fund managers are experts who deal in these aspects and thus make investments easier and more profitable for this class of investors making mutual fund investment very popular in recent times.

History of Mutual Fund Industry in India

The formation of Unit Trust of India marked the evolution of the Indian mutual fund industry in the year 1963 with the primary objective of attracting the small investors to the capital market. The history of mutual fund industry in India can be divided into following phases:

Phase 1: Establishment and Growth of Unit Trust of India - 1964-87: Unit Trust of India enjoyed complete monopoly when it was established in the year 1963 under a statute passed by the Parliament and it continued to operate under the regulatory control of the RBI until the two were delinked in 1978 and the entire control was transferred in the hands of Industrial

Development Bank of India (IDBI). UTI launched its first scheme in 1964, named as Unit Scheme 1964 (US-64). It launched ULIP in 1971. By the end of 1987, UTI's assets under management grew ten times to Rs 6700 crores.

Phase II. Entry of Public Sector Funds - 1987-1993: Many public sector players entered the market in the year 1987. In November 1987, SBI Mutual Fund from the State Bank of India became the first non-UTI mutual fund in India. It was later followed by Canbank Mutual Fund (1987), LIC Mutual Fund (1989), Indian Bank Mutual Fund (1989), PNB Mutual Fund (1989), Bank of India Mutual Fund (1990), GIC Mutual Fund (1990) and Bank of Baroda Mutual Fund (1992). By 1993, the asset under management (AUM) of the industry increased seven times to Rs. 47,004 crores. However, UTI remained to be the leader with about 80% market share.

Phase III. Emergence of Private Sector Funds - 1993-96*:* With the entry of private sector funds in 1993, a new era started in the Indian mutual fund industry, giving the Indian investors a wider choice of fund families. By 1994-95, about 11 private sector funds had launched their schemes. In 1993 the first Mutual Fund Regulations came into being, under which all mutual funds, except UTI were to be registered and governed. The erstwhile Kothari Pioneer (now merged with Franklin Templeton) was the first private sector mutual fund registered in July 1993. The 1993 SEBI (Mutual Fund) Regulations were substituted by a more comprehensive and revised Mutual Fund Regulations in 1996. Many foreign mutual funds set up funds in India and the industry witnessed several mergers and acquisitions.

Phase IV. Growth and SEBI Regulation - 1996-2004: The mutual fund industry witnessed growth and stricter regulation from the SEBI after 1996. SEBI (Mutual Funds) Regulations, 1996 introduced by SEBI set uniform standards for all mutual funds in India. The Union Budget in 1999 exempted all dividend incomes in the hands of investors from income tax. Various Investor Awareness Programmes were launched by SEBI and AMFI, with an objective to educate investors about the mutual fund industry. In February 2003, the UTI Act was repealed and UTI was stripped of its special legal status bringing all mutual fund players on the same level. UTI was reorganized into two parts: 1. The Specified Undertaking, 2. The UTI Mutual Fund. By the end of September, 2004, there were 29 funds, with AUM of Rs.153108 crores under 421 schemes. But, UTI Mutual Fund was still the largest player in the industry.

Phase V. Growth and Consolidation - 2004 Onwards: The industry has also witnessed several mergers and acquisitions recently, examples of which are acquisition of schemes of Alliance Mutual Fund by Birla Sun Life, Sun F&C Mutual Fund and PNB Mutual Fund by Principal Mutual Fund. More international mutual fund players have entered India like Fidelity, Franklin Templeton Mutual Fund etc. This is a continuing phase of growth of the industry through consolidation and entry of new international and private sector players.

Source: amfindia.com

Literature Survey

Research work on Mutual Funds began as early as 1960s in the U.S.A. and European region. **Sharpe (1966)** was the first person to introduce a measure for the performance of Mutual Funds, popularly known as the Sharpe Ratio:

$$\mathbf{R(x) = (Rx - R_f) / \sigma_x}$$

x is some investment; R_x is the average annual rate of return of x; R_f is the best available rate of return of a "risk-free" security ; σ_x is the standard deviation of rates of returns from x.

Treynor (1965) developed another indicator, popularly known as the Treynor Ratio, that measures the performance of a portfolio by dividing the returns earned from the portfolio in excess of returns earned on a risk less investment by the beta of the portfolio (i.e., market risk). The ratio is,

$$\mathbf{(r_p - r_f) / \beta_p}$$

$\mathbf{r_p}$ = Average return of the portfolio; $\mathbf{r_f}$ = Average return of the risk-free proxy; $\boldsymbol{\beta_p}$ = Beta of the portfolio.

Using Sharpe ratio and Treynor ratio as tools of evaluating performance, various scholars have worked on the performance of Indian Mutual Funds.

In their study **Guha Deb** and **Banerjee (2009)** used Value at Risk approach (VaR) as a single risk measure summarizing all sources of downward risk. They attempted to highlight the importance of VaR as a measure of 'downside risk' for Indian Equity Mutual Funds. **Roy** and **Deb (2003)** used the Treynor-Mazuy model and Henriksson-Merton model to measure the Conditional Performance of Indian Mutual Funds**. Ferson** and **Schadt (1996)** advocated a technique called conditional performance evaluation measuring the performance with both unconditional and conditional form of - CAPM, Treynor-Mazuy model and Henriksson-Merton model. Several recent studies have empirically tested the persistence in fund performance [**Yung** and **Kenneth (2004), Goetzmann** and **Morey (2003), Volkman** and **Wohar (1994)],** but didn't thoroughly investigate other systematic factors affecting future fund performance.

Objective of the Study

In the present paper an attempt has been made to analyse the performance of 1 public sector mutual fund scheme, *UTI Opportunities (47),* and 2 private sector mutual fund schemes which are *ICICI Prudential Discovery (2) and HDFC Equity (27)***,** in the period from January 2010 to September 2011 covering the turbulent period of the economic crisis. It seems that Mutual Fund Industry is a shock absorber to market fluctuations and if it fails to do so, it cannot be differentiated from other types of investments. In this study period all sectors are getting affected adversely, and so the performance analysis of Mutual Funds is very pertinent. The study is based on the secondary data collected for a sample of top 50 Equity Diversified funds based on rankings provided by Valueresearchonline (A popular and authentic mutual fund research organization) as on 1st January 2010. The second stage sample schemes were taken from these and were analysed for performance and fluctuations, changes in their sector holdings to establish a relation between sector holdings and fund performance during business cycle fluctuations and correlate various factors with return generated.

Performance Analysis and Interpretation

1. ***ICICI PRU DISCOVERY:*** It is revealed from Figure 1 that in the beginning of the study period January 2010 it garnered very high return (9.17) which had dropped a little in March 2010 (6.89) and June 2010 (5.56) but again picked up very well in September 2010 (12.17). However the downfall began in December 2010 onwards when the return was 0.9 and continued plummeting further in March 2011 (-6.64), June 2011 (1.14) and September 2011 (-12). This negative turn can be explained as:

a) The economy as a whole had taken a downward turn from the beginning of 2011 and we later witnessed difficult times both politically and socially which adversely affected the Indian Financial Markets including the Mutual Fund Industry.

b) The major sector holdings were Financial, Energy, Healthcare, Communication, Chemicals, Metals and Services. The stockholdings in Energy and Healthcare Sector did not change much. The energy (especially crude oil) crisis deepened from early 2011 with oil prices skyrocketing. This may have affected the returns generated towards the later quarters of 2011. The stockholdings in the Financial sector fell from 19.68 in January 2010 to 10.4 in September 2011. However with the Financial Sector performing well overall this reduction in percentage stockholdings may have affected the performance of the Fund. The holdings in the Chemicals sector had also reduced considerably similar to the Communication sector where the holdings were completely given up in June and September 2011. This was triggered by the severe crisis the Telecommunication Industry was going through. Though there has been a sharp rise in the Technology sector (3.25 to 10.53), it did not help the returns much (Figure 2).

c) The major changes in the company holdings were Bharti Airtel (6.11 to 0) and ONGC (4.15 to 0), which is obviously reflected in the returns generated (Figure 3).

2. ***HDFC EQUITY:*** Figure 4 reveals that in January 2010 it garnered very high return (9.06) which had dropped badly in March 2010 (2.28) but again picked up very well in September 2010 (17.12). However the downfall began in December 2010 onwards when the return was 0.62 and continued plummeting further in March 2011 (-5.1), June 2011 (-0.73) and September 2011 (-12.73). This negative turn can be explained by the following:

a) The first explanation is same as in case of ICICI PRU DISCOVERY.

b) The major sector holdings were Financial, Energy, Healthcare, FMCG, and Services. The stockholdings in Energy Sector increased from 11.26 to 17.1. The energy (especially crude oil) crisis deepened from early 2011 with oil prices skyrocketing. This may have affected the returns generated towards the later quarters of 2011. The stockholdings in the Healthcare and Financial sector fell from 9.56 and 26.33 in January 2010 to 3.35 and 22.48 in September 2011 respectively. However with the Sectors performing well overall this reduction in percentage stockholdings may have further affected the performance of the Fund. The holdings in the Communications sector had also increased considerably from 0 to 4.1 This, along with the severe crisis the Telecommunication Industry was going through, may have further reduced the reruns. Though there has been a steady rise in the Technology sector, FMCG sector has seen a sharp decrease and as these sectors are performing well overall, the increase in percentage stock holdings in one and decrease in another may have counteracted leading further to the adverse effect of the other sector holdings. Thus it did not help the returns much (Figure 5).

c) The major changes in the company holdings were Bharti Airtel (0 to 4.1), Oil India (0 to 2.13), Coal India (0 to 2.4) and ONGC (5.95 to 0), which showed in the returns generated (Figure 6).

3. ***UTI OPPORTUNITIES:***

In January 2010 it garnered very high return (5.62, though not as high as the private funds studied here) which had dropped badly in March 2010 (-0.75) but again picked up very well in September 2010 (15.32). However the downfall began in December 2010 onwards when the return was 1.84 and continued plummeting further in March 2011 (-5.05), June 2011 (0.29) and September 2011 (-4.6). However the negative return in September 2011 is not as low as compared to the private funds studied here (Figure 7). This negative turn can be explained as:

a) Here also the first explanation of ICICI PRU DISCOVERY holds good.

b) The major sector holdings were Financial, Energy, Construction, FMCG, Metals and Technology. The stockholdings in Energy Sector was stable at around 13% which is quite high. The energy (especially crude oil) crisis deepened from early 2011 with oil prices skyrocketing. This may have affected the returns generated towards the later quarters of 2011. The stockholdings in the Metals and Technology sector fell from 11.3 and 9.48 in January 2010 to 1.35 and 6.54 in September 2011 respectively. However with the Sectors performing well overall this reduction in percentage stockholdings may have further affected the performance of the Fund. The holdings in the Communications sector had also increased considerably from 0 to 2.56. This along with the severe crisis the Telecommunication Industry is going through may have further reduced the returns. Though there has been a sharp rise in the FMCG, Construction and Cons Durable sector and in spite of these sectors performing well overall, the increase in percentage stock holdings have not been high enough to counter the adverse effect of the other sector holdings. Thus it did not help the returns much (Figure 8).

c) The major changes in the company holdings happened in Bharti Airtel (0 to 1.88), Cairn India (0 to 3.87), ITC (2.5 to 6.96) and Titan Industries (0 to 4.54), which is obviously reflected in the returns generated (Figure 9).

Conclusion

On the basis of observation of the performance of the select mutual fund schemes of both the Private and Public Sectors, the following important inferences may be drawn (Figure 10):

a) The economy performed well in the 1st quarter of 2010 then dipping a little and picking up momentum in September quarter of 2010. This was clearly reflected in the returns of all the chosen funds. The recovering economy again faced a downward turn from December 2010 due to international debt crisis, political, social and economic problems in India, which is still continuing. This has also clearly affected the Financial markets and thereby the Mutual Fund Industry as a whole. Even the better performing funds fluctuate also along with the fluctuating economy. Thus there is a correlation between fund performance and financial market fluctuations brought on by the Global Economic Crisis.

b) The returns are also linked with the sector performance. All the funds had substantially invested in the Energy and Communications sectors which met with a crisis and thereby reducing returns. It was also seen that few funds had reduced their percentage holdings in the better performing sectors like Financial, Technology, Services and FMCG and , therefore, not been able to benefit from the sector returns. Thus there is a correlation between Sector Holdings, performance of those sectors in the economy and returns generated by the Mutual Fund Schemes.

c) The returns generated by the Public Sector Funds are not as high compared to the Private Sector Funds and the negative returns are also more controlled in the Public Sector Funds as compared to the Private Sector Funds. This is partly due to the difference in sector holdings and also due to the conservative nature of investment followed by the public sector funds.

GRAPHS AND TABLES:

FIGURE 1: Return Generated By ICICI Pru Discovery:

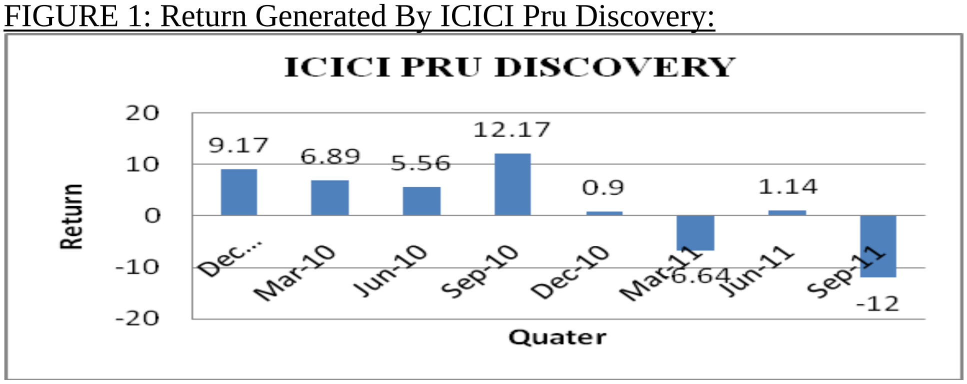


FIGURE 2: Sector Holdings Of ICICI Pru Discovery:

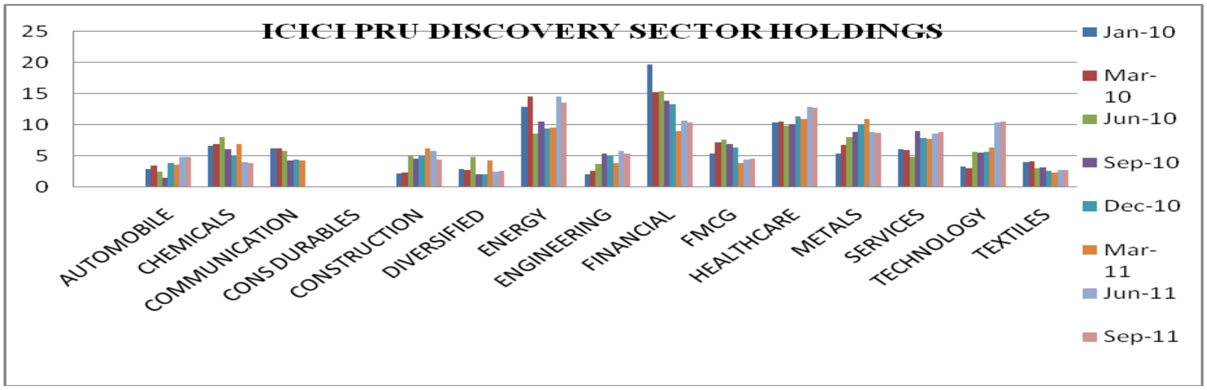


TABLE I: Sector Holdings Of ICICI Pru Discovery:

SECTOR	ICICI PRU DISCOVERY (2)							
	Jan-10	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11
AUTOMOBILE	2.81	3.4	2.42	1.4	3.74	3.48	4.74	4.78
CHEMICALS	6.53	6.85	7.92	6.04	5.08	6.82	3.89	3.71
COMMUNICATION	6.11	6.13	5.73	4.19	4.27	4.24	0	0
CONS DURABLES	0	0	0	0	0	0	0	0
CONSTRUCTION	2.06	2.17	4.82	4.47	4.92	6.11	5.74	4.29
DIVERSIFIED	2.76	2.72	4.77	1.97	1.89	4.15	2.32	2.46
ENERGY	12.81	14.53	8.51	10.44	9.4	9.56	14.59	13.48
ENGINEERING	1.92	2.47	3.62	5.3	4.87	3.84	5.73	5.27
FINANCIAL	19.68	15.23	15.32	13.83	13.22	8.89	10.65	10.4
FMCG	5.35	7.09	7.55	6.84	6.34	3.79	4.33	4.43
HEALTHCARE	10.37	10.41	9.71	10.07	11.36	10.83	12.82	12.66
METALS	5.34	6.76	7.94	8.75	10.02	10.83	8.74	8.7
SERVICES	6.05	5.89	4.72	8.88	7.79	7.65	8.51	8.86
TECHNOLOGY	3.25	3	5.61	5.45	5.6	6.28	10.33	10.53
TEXTILES	3.94	4.03	2.92	3.11	2.56	2.19	2.66	2.69

GRAPH 3: Company Holdings Of Icici Pru Discovery:

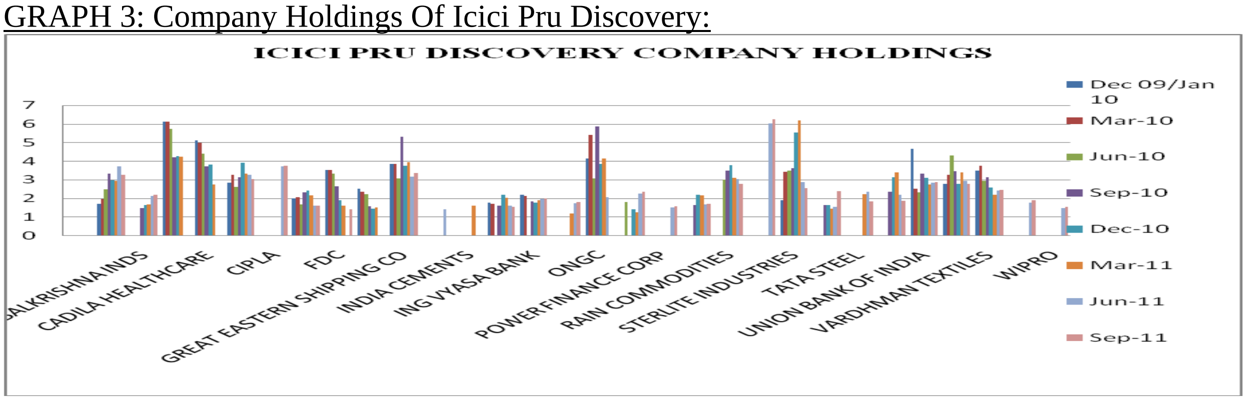
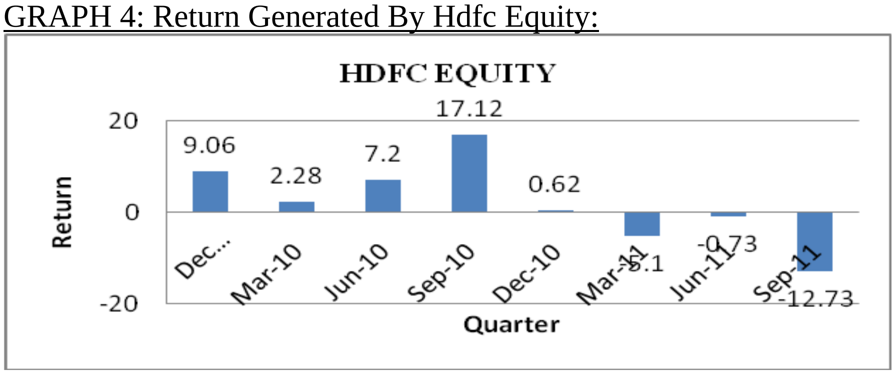


TABLE II: Company Holdings Of Icici Pru Discovery:

COMPANY	ICICI PRU DISCOVERY (2)							
COMPANY	/Jan 10	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11
AMARA RAJA BATTERIES	1.69	1.96	2.49	3.31	2.97	2.93	3.71	3.25
BALKRISHNA INDS	0	0	0	1.48	1.62	1.66	2.12	2.17

BHARTI AIRTEL	6.11	6.13	5.73	4.19	4.27	4.24	0	0
CADILA HEALTHCARE	5.11	4.97	4.38	3.71	3.82	2.73	0	0
CESC	2.84	3.25	2.6	3.11	3.91	3.31	3.27	3.03
CIPLA	0	0	0	0	0	0	3.7	3.74
eCLERX SERVICES	1.97	2.04	1.65	2.31	2.41	2.15	1.58	1.6
FDC	3.51	3.51	3.32	2.63	1.88	1.59	0	1.4
FEDERAL BANK	2.51	2.33	2.2	1.55	1.42	1.49	0	0
GREAT EASTERN SHIPPING	3.84	3.85	3.07	5.31	3.76	3.93	3.16	3.35
HCL TECHNOLOGIES	0	0	0	0	0	0	1.39	0
INDIA CEMENTS	0	0	0	0	0	1.61	0	0
INFOTECH ENTERPRISES	1.77	1.69	0	1.58	2.18	2.03	1.61	1.54
ING VYASA BANK	2.17	2.11	0	1.83	1.75	1.9	1.94	2
MINDTREE	0	0	0	0	0	1.18	1.71	1.79
ONGC	4.15	5.39	3.05	5.87	3.83	4.14	2.05	0
ORACLE FIN SER SOFTWARE	0	0	1.8	0	1.39	1.23	2.24	2.36
POWER FINANCE CORP	0	0	0	0	0	0	1.51	1.57
PUNJAB NATIONAL BANK	0	0	0	1.63	2.18	2.16	1.65	1.7
RAIN COMMODITIES	0	0	3.01	3.5	3.78	3.08	3.03	2.78
RELIANCE INDUSTRIES	0	0	0	0	0	0	6.01	6.25
STERLITE INDUSTRIES	1.9	3.43	3.5	3.63	5.55	6.18	2.85	2.54
TATA MOTORS	0	0	0	1.63	1.62	1.43	1.52	2.39
TATA STEEL	0	0	0	0	0	2.21	2.35	1.83
TORRENT PHARMACEUTICALS	0	0	0	2.35	3.14	3.38	2.18	1.85
UNION BANK OF INDIA	4.67	2.51	2.3	3.33	3.1	2.75	2.83	2.88
UNITED PHOSPHORUS	2.76	3.25	4.29	3.46	2.78	3.38	2.92	2.78
VARDHMAN TEXTILES	3.47	3.76	2.92	3.11	2.56	2.19	2.4	2.45
VOLTAS	0	0	0	0	0	0	1.77	1.88
WIPRO	0	0	0	0	0	0	1.48	1.52

GRAPH 4: Return Generated By Hdfc Equity:



GRAPH 5: Sector Holdings Of Hdfc Equity:

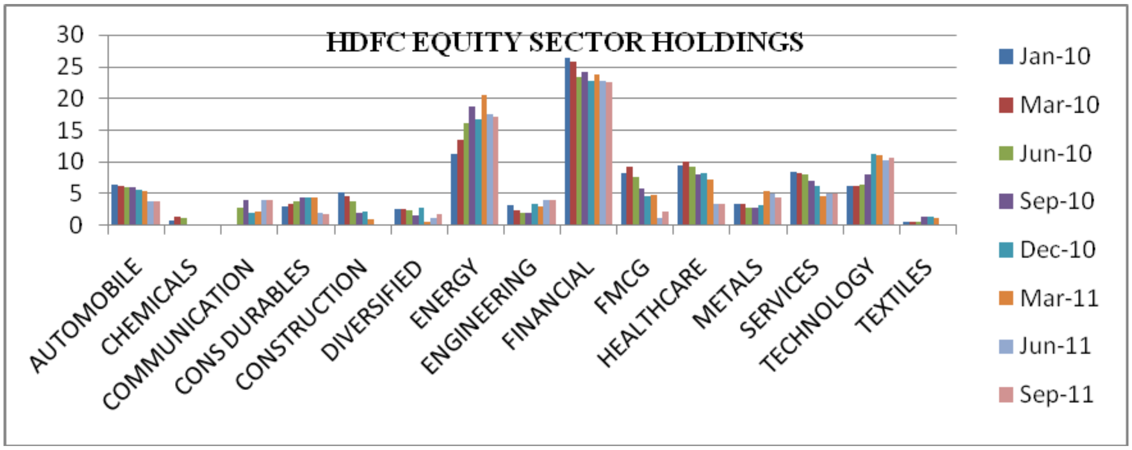


TABLE III: Sector Holdings Of Hdfc Equity:

SECTOR	HDFC EQUITY (27)							
Column1	**Jan-10**	**Mar-10**	**Jun-10**	**Sep-10**	**Dec-10**	**Mar-11**	**Jun-11**	**Sep-11**
AUTOMOBILE	6.49	6.32	6	6.14	5.59	5.4	3.84	3.83
CHEMICALS	0.86	1.44	1.12	0	0	0.06	0	0
COMMUNICATION	0	0	2.79	4.11	1.99	2.3	4.12	4.1
CONS DURABLES	3	3.38	3.77	4.4	4.45	4.57	2	1.74
CONSTRUCTION	5.27	4.7	3.82	1.95	2.15	1.14	0	0
DIVERSIFIED	2.56	2.71	2.5	1.54	2.9	0.75	1.2	1.76
ENERGY	11.26	13.47	16.06	18.82	16.69	20.64	17.6	17.1
ENGINEERING	3.32	2.32	1.97	2.03	3.43	3.01	4.08	3.98
FINANCIAL	26.33	25.69	23.31	24.08	22.7	23.83	22.81	22.48
FMCG	8.28	9.24	7.65	5.75	4.56	4.96	1.21	2.14
HEALTHCARE	9.56	10.12	9.32	8.07	8.3	7.26	3.38	3.35
METALS	3.43	3.47	2.81	2.74	3.21	5.48	4.95	4.37
SERVICES	8.4	8.27	8.08	7.14	6.18	4.61	5.07	5.06
TECHNOLOGY	6.3	6.2	6.52	8.15	11.31	11.09	10.31	10.73
TEXTILES	0.7	0.64	0.56	1.5	1.48	1.21	0	0

GRAPH 6: Company Holdings Of Hdfc Equity:

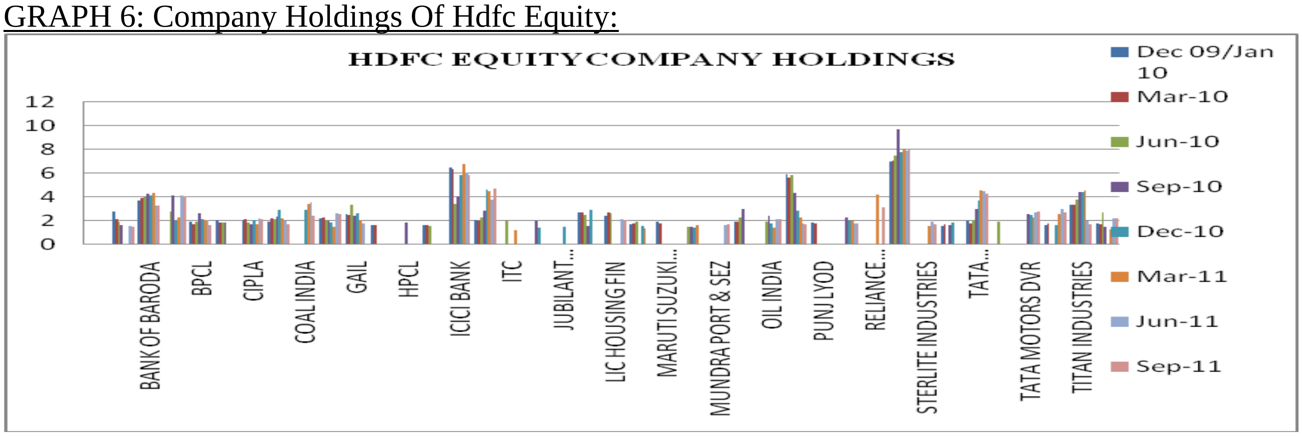
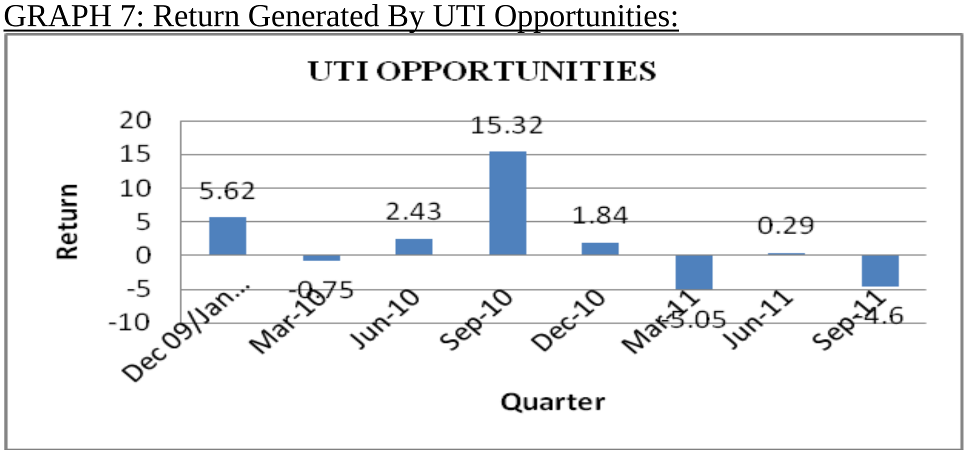


TABLE IV: Company Holdings Of Hdfc Equity:

COMPANY	HDFC EQUITY (27)							
COMPANY	**Jan 10**	**Mar-10**	**Jun-10**	**Sep-10**	**Dec-10**	**Mar-11**	**Jun-11**	**Sep-11**

AXIS BANK	2.8	2.16	1.94	1.65	0	0	1.6	1.47
BANK OF BARODA	3.73	3.92	4.02	4.29	4.16	4.34	3.3	3.31
BHARTI AIRTEL	0	0	2.79	4.11	1.99	2.3	4.12	4.1
BPCL	1.9	1.68	1.92	2.67	2.16	2.04	2.05	1.67
CIPLA	2.08	2.14	1.86	1.69	2.04	1.73	2.23	2.17
CMC	1.91	2.19	2.12	2.33	2.96	2.23	2.02	1.71
COAL INDIA	0	0	0	0	2.93	3.43	3.59	2.4
CROMPTON GREAVES	2.2	2.32	1.97	2.03	1.89	1.52	2.65	2.6
GAIL	2.55	2.52	3.35	2.4	2.63	2.04	1.79	0
ICICI BANK	6.5	6.34	3.43	4.09	5.89	6.76	6.05	5.88
INFOSYS TECHNOLOGIES	2.08	2.01	2.3	2.85	4.64	4.47	3.82	4.71
ITC	0	0	2.03	0	0	1.18	0	0
LIC HOUSING FIN	2.4	2.68	2.66	0	0	0	2.15	2.08
LUPIN	1.73	1.8	1.9	0	1.6	1.34	0	0
MOTHERSON SUMI SYS	0	0	1.48	1.52	1.4	1.61	0	0
MUNDRA PORT & SEZ	0	0	0	0	0	0	1.61	1.69
OIL INDIA	0	0	1.96	2.4	1.76	1.45	2.12	2.13
ONGC	5.95	5.62	5.85	4.33	2.89	2.32	1.77	1.74
PUNJAB NATIONAL BANK	0	0	0	2.3	2	2.03	1.76	1.75
RELIANCE INDUSTRIES	0	0	0	0	0	4.24	0	3.16
STATE BANK OF INDIA	7.01	7.09	7.5	9.69	7.75	7.99	7.95	7.99
STERLITE INDUSTRIES	0	0	0	0	0	1.57	1.96	1.68
TATA CONSULTANCY SERVICES	2.03	1.77	2.1	2.97	3.71	4.59	4.47	4.31
TATA MOTORS DVR	0	0	0	2.59	2.5	2.31	2.72	2.8
TATA STEEL	1.67	1.77	0	0	1.67	2.6	2.99	2.69
TITAN INDUSTRIES	3.34	3.38	3.77	4.4	4.45	4.57	2	1.74
ZEE ENTERTAINMENT ENT	1.82	1.72	2.72	1.5	0	1.27	2.24	2.21

GRAPH 7: Return Generated By UTI Opportunities:



GRAPH 8: Sector Holdings Of UTI Opportunities:

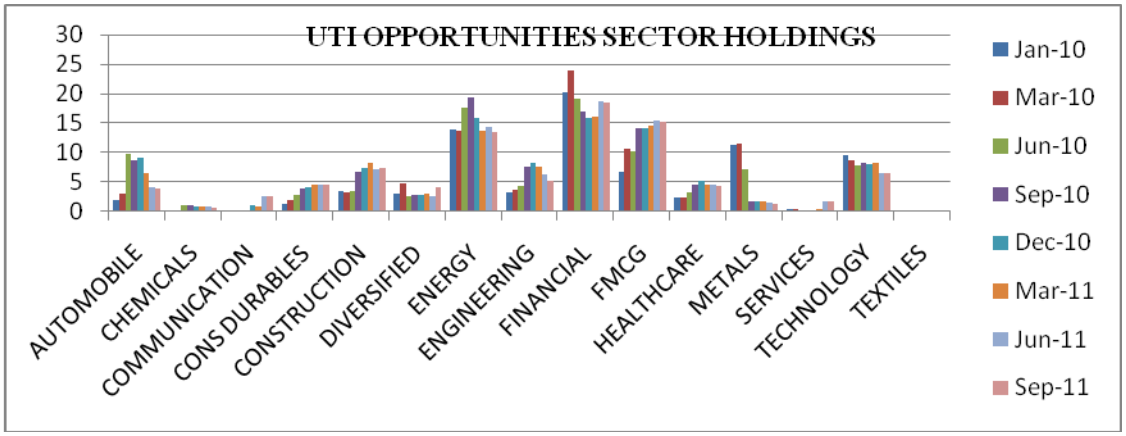


TABLE V: Sector Holdings of UTI Opportunities:

SECTOR	UTI OPPORTUNITIES (47)							
Column1	**Jan-10**	**Mar-10**	**Jun-10**	**Sep-10**	**Dec-10**	**Mar-11**	**Jun-11**	**Sep-11**
AUTOMOBILE	1.85	3.06	9.86	8.64	9.11	6.52	4.1	3.87
CHEMICALS	0	0	1.13	1.13	0.97	0.85	0.78	0.67
COMMUNICATION	0	0	0	0	1.05	0.82	2.68	2.56
CONS DURABLES	1.27	1.98	2.79	3.84	4.1	4.46	4.58	4.54
CONSTRUCTION	3.5	3.24	3.45	6.83	7.31	8.32	7.22	7.48
DIVERSIFIED	3.01	4.83	2.54	2.82	2.89	3.11	2.63	4.04
ENERGY	13.89	13.72	17.67	19.26	15.89	13.78	14.3	13.37
ENGINEERING	3.19	3.68	4.38	7.61	8.34	7.51	6.36	5.31
FINANCIAL	20.19	24.02	19.18	16.95	15.81	16.13	18.8	18.42
FMCG	6.7	10.62	10.11	14.06	14.15	14.47	15.4	15.13
HEALTHCARE	2.42	2.32	3.36	4.53	5.3	4.6	4.62	4.34
METALS	11.3	11.63	7.09	1.8	1.76	1.76	1.42	1.35
SERVICES	0.47	0.43	0	0	0	0.38	1.72	1.76
TECHNOLOGY	9.48	8.7	7.83	8.29	8.14	8.19	6.49	6.54
TEXTILES	0	0	0	0	0	0	0	0

GRAPH 9: Company Holdings of UTI Opportunities:

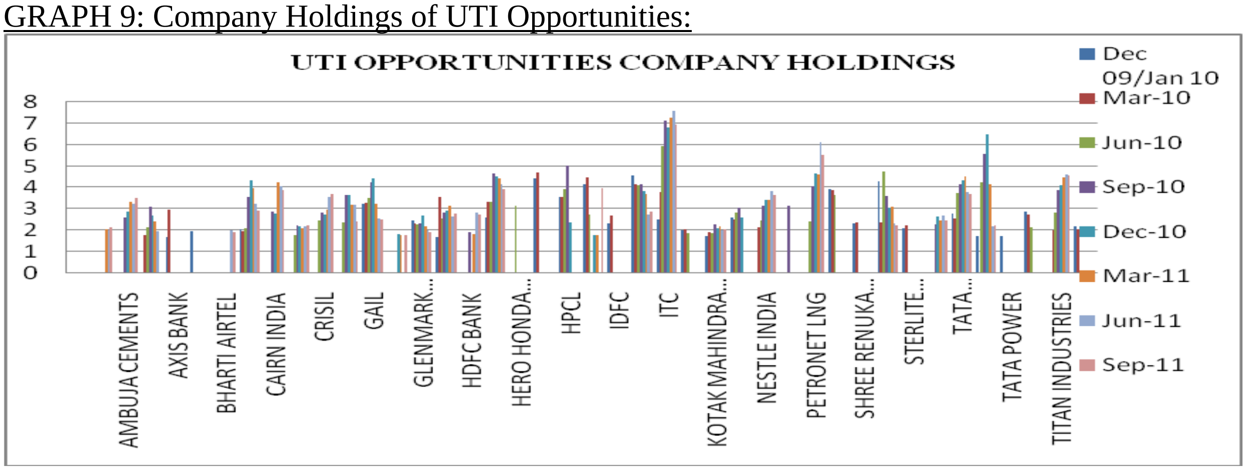
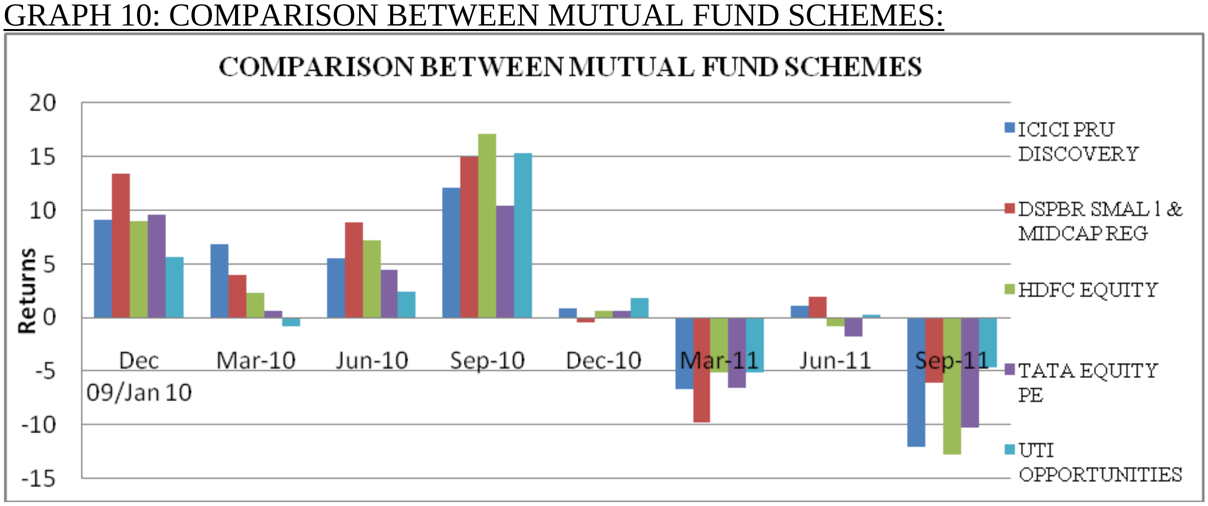


TABLE VI: Company Holdings of UTI Opportunities:

COMPANY	UTI OPPORTUNITIES (47)							
COMPANY	**Jan 10**	**Mar-10**	**Jun-10**	**Sep-10**	**Dec-10**	**Mar-**	**Jun-**	**Sep-**

						11	11	11
ACC	0	0	0	0	0	2.04	1.99	2.13
AMBUJA CEMENTS	0	0	0	2.57	2.83	3.3	3.2	3.5
ASHOK LEYLAND	0	1.77	2.11	3.07	2.65	2.41	1.94	0
BHARTI AIRTEL	0	0	0	0	0	0	1.97	1.88
BHEL	2.03	1.91	2.05	3.54	4.3	3.94	3.21	2.91
CAIRN INDIA	0	0	0	2.86	2.76	4.23	4.06	3.87
COLGATE PALMOLIVE (I)	0	0	1.77	2.21	2.15	2.06	2.18	2.2
CRISIL	0	0	2.45	2.8	2.69	2.95	3.54	3.66
EXIDE INDS	0	0	2.33	3.63	3.61	3.17	3.15	2.4
GAIL	3.2	3.25	3.48	4.24	4.43	3.23	2.52	2.46
GLAXO CONSUMER HEALTHCARE	0	0	0	0	1.8	1.77	0	1.74
GLENMARK PHARMA	2.42	2.32	2.27	2.28	2.68	2.15	1.96	1.9
GRASIM INDUSTRIES	1.64	3.54	2.54	2.82	2.89	3.11	2.63	2.75
HDFC BANK	0	0	0	1.9	0	1.78	2.81	2.72
HDFC	2.58	3.32	3.31	4.65	4.5	4.43	4.14	3.91
ICICI BANK	4.15	4.45	2.73	0	1.77	1.76	0	3.95
INFOSYS TECHNOLOGIES	4.54	4.13	4.08	4.16	3.82	3.69	2.71	2.86
ITC	2.5	3.78	5.93	7.13	6.79	7.25	7.58	6.96
KOTAK MAHINDRA BANK	1.69	1.88	1.85	2.24	2.07	2.14	1.97	2
NESTLE INDIA	0	2.11	2.42	3.11	3.41	3.39	3.83	3.62
PETRONET LNG	0	0	2.41	4.03	4.63	4.62	6.13	5.5
STATE BANK OF INDIA	4.29	2.36	4.75	3.6	3.04	3.06	2.31	2.19
SUN PHARMACEUTICAL INDS	0	0	0	2.24	2.62	2.45	2.66	2.45
TATA CONSULTANCY SERVICES	2.76	2.52	3.73	4.12	4.32	4.49	3.76	3.66
TATA MOTORS	1.69		4.22	5.57	6.46	4.12	2.16	2.22
TITAN INDUSTRIES	0	1.98	2.79	3.84	4.1	4.46	4.58	4.54

GRAPH 10: COMPARISON BETWEEN MUTUAL FUND SCHEMES:



Thus from the above study one can interpret that the Global Meltdown has adversely affected the entire Indian Financial market including the Mutual Fund Industry.

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